

## MEMORANDUM

To: EEU E-mail Service List

From: Judith C. Whitney, Deputy Clerk of the Board

Re: Request for Comments on Year 2008 Uncommitted EEU Funds

Date: April 24, 2009

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Pursuant to Public Service Board ("Board") Rule 5.300, within six months after the end of each contract period between the Board and the Energy Efficiency Utility ("EEU") contractor, the Board must calculate the amount of Uncommitted Funds<sup>1</sup> remaining at the end of the contract period. If the amount of Uncommitted Funds is less than five percent of the amount the Board had determined should be collected via the Energy Efficiency Charge in the prior year, the Board must then conduct a process for determining the distribution of any unspent funds.<sup>2</sup> Since the last contract period ended on December 31, 2008, it is now time for the Board to perform the Uncommitted Funds calculation and determine the distribution of any unspent funds.

The EEU Contract Administrator has calculated the Uncommitted Funds for the 2006 – 2008 contract period as \$1,475,768, and the unspent funds for the same period as \$2,808,043. See the attached memorandum and associated spreadsheets from the Contract Administrator for more information about his calculations.

Under Board Rule 5.305(E)(1a), if the Uncommitted Funds are less than 5% of the total budget for the prior year, the Board must determine the distribution of the funds in a separate process. The \$1,475,768 is approximately 4.8% of the 2005 budget. Therefore,

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<sup>1</sup>Uncommitted Funds are defined in PSB Rule 5.305(D)(22) as: "the amount raised by the Energy Efficiency Charge which, as of the end of the calendar year in which a contract between the Board and an entity serving as the EEU expires, exceeds the amount which the EEU has spent plus the amount which it has not spent but is obligated to pay."

<sup>2</sup>Unspent funds are different from Uncommitted Funds. Unspent funds are the budgeted amounts not actually spent during a contract period, with no adjustment for committed obligations. Unspent funds also include unrestricted interest earned on the Energy Efficiency Utility Fund during the contract period.

the Board intends to determine the appropriate distribution of the unspent funds after reviewing comments and reply comments from interested persons.

Vermont Energy Investment Corporation has submitted a request that its portion of the unspent funds be carried forward to its 2009-2012 budget. The City of Burlington Electric Department and the Department of Public Service have submitted similar requests regarding their portions of the unspent funds. All three requests are attached.

Any comments on the calculation of Uncommitted Funds or the distribution of the unspent funds should be filed with the Board by May 15, 2009. Any reply comments should be filed with the Board by May 29, 2009. Comments and reply comments should be circulated electronically to the EEU E-mail Service List.